

**ENVIRONMENTAL GOALS AND POLICY REPORT
STATE AGENCY ADVISORY GROUP MEETING**

May 22, 2003

1:00 p.m. – 4:00 p.m.

Sierra Room, Cal/EPA Building

Introductory Remarks

Terry Roberts, State Clearinghouse Director, Governor's Office of Planning and Research (OPR)

- Welcome and thank you to State Agency staff for attending this meeting.
- Sharon Huntsman from the Center for Collaborative Policy will be serving as a facilitator, thanks to the Department of Water Resources.

Update on the California Economic Strategy Panel

Ed Kawahara, Deputy Secretary for Economic Research and Strategic Initiatives, Technology Trade and Commerce Agency (TTCA)

- The California Economic Strategy Panel's work dovetails well with the overall purpose of the EGPR and the efforts of this group to craft the EGPR.
- The Panel has 15 members, chaired by TTCA Secretary Lon Hatamiya. It has eight Governor's appointees, two appointees from each of the majority leaders of the legislature, and one from each of the minority leaders.
- The Panel also has a technical advisory group of California's leading economic thinkers.
- The Panel issues a biannual planning document analyzing trends in California's economy and identifying ways in which the State can support economic activity and performance.
- The Panel has embraced the concept of sustainability and is advocating a "triple-bottom line" approach (one that supports the economy, the environment, and social equity) to the state's economic development investments and activities.
- In response to their findings, the Panel has launched, in cooperation with the California Workforce Investment Board, has launched the California Regional Economies Project. The goal of the project, managed by TTCA, is to provide accurate, detailed, and up-to-date information about California's changing regional economies and labor markets. The regional information will be a key resource for economic and workforce development planning and will enable better decision making by policy-makers at the state, regional, and local levels.
- For more information on the work of the Economic Strategy Panel and the Regional Economies Project, go to www.commerce.ca.gov/economy.

Update on the Rural Policy Task Force

Toni Symonds, Senior Policy Advisor and Director of the Rural Policy Task Force, OPR
Carol Gaubatz, Senior Legislative Analyst, OPR

- State agencies are invited to participate in topic-specific Task Force meetings relating to rural policy.
- The Task Force has formed a Rural Focus Group on the EGPR that has already met twice. The group involves both state agencies and outside stakeholders. Past meetings have focused on the meaning of the first two planning priorities from a rural perspective.

- The Task Force is looking at how the State can support rural decision-makers in assessing the long-term impacts of their decisions.
- In a separate meeting today, the Task Force is holding an organizing meeting for a new work group on the housing, transportation, and health care needs of agricultural workers.
- On June 4, from 1:00 to 3:00 at OPR, the Rural Focus Group for the EGPR will continue to discuss the EGPR from a rural perspective. All state agencies and departments are invited to attend. Outside stakehold groups have also been invited.
- On June 6, from 10:00 a.m. to Noon at OPR, the Task Force will hold an initial fact-finding meeting regarding the ways in which state agencies use telecommunications in outreach and service delivery to rural areas. This is an internal state agency/department meeting only.
- For more information on the California Rural Policy Task Force and its various projects, please contact Toni Symonds at (916) 323-9817 or toni.symonds@opr.ca.gov.

Introductions

Sharon Huntsman, facilitator, Center for Collaborative Policy

- The theme of the presentations and today's meeting is "better decision-making."
- The agenda has been designed with three specific outcomes in mind:
 - Continue the discussion of the complex ways in which state agencies influence and are impacted by growth and related issues, and begin to drill down to a much more specific and detailed level of understanding.
 - Elicit feedback on definitions for key terms and explanations of the three new planning priorities and further flesh out the priorities from agency perspectives.
 - Update participants on important related efforts.

Update on EGPR Progress

Terry Roberts

- The idea of sustainability is starting to pervade and cut across many programs and policies of the state.
- OPR has been gathering input from a wide array of interests, including state and local government and non-government organizations.
- People have a variety of different expectations for the EGPR; the scope and intent need to be clarified.
- Rough drafts of the first three chapters have been written but are not ready for public distribution. In the process of writing, we have learned that the scope of the project has been so broadly defined that it is unwieldy and needs narrowing.
- The timeline also requires limiting the scope of the project.
- The lack of past examples on which to base current work has presented a challenge.
- In response to all of the input we have received, OPR is now settling on a specific focus, which is to address the role of state government in influencing and responding to growth and development. Narrowing the scope means we will not attempt to address issues such as immigration reform, quality of education, or local land-use reform. We will deal with ourselves and how we can improve the way state government operates.

- The basic goals of the EGPR will be clarity and consistency in all state government actions within a framework of sustainable development, not just in the siting of facilities and the allocation of funding, but also in our regulations, standards, incentives, partnerships, etc.
- Today's meeting will help us identify areas in which state government has real influence. In order to move forward with the EGPR, we need to develop a better, more specific understanding of areas in which the state has some discretion over decisions vs. areas in which state actions are driven purely by statutory mandates.
- A meeting with the stakeholders will be held in about a month, but OPR is focusing on agencies today to gather more input, refine the scope of the report, and ensure that we are developing a document that will be implementable.
- Please calendar our next advisory group meetings on August 14 and October 22.
- The deadline for the EGPR is still December 2003. Chief advisors within the Governor's office are fully aware of the current status and are eager to see a product. We must do a good job together to create a document that is useful, real, and implementable by agencies and departments.

Recap of previous meetings

Anya Lawler

- At past EGPR meetings participants identified "big" issues facing California related to growth. State agencies and departments influence growth and development through their involvement in policy, planning, or programs related to these and other areas:
 - Housing: supply, affordability, and location in relation to jobs
 - Transportation: aging infrastructure, congestion, auto dependency, lack of mode choices
 - Economic divide; the "hourglass" economy
 - Water: supply, planning, quality
 - Environmental health: species, habitats, watersheds
 - Public health: asthma, obesity, diabetes, access to health care
 - Energy: sources, supply, renewability
 - Air quality
 - Development patterns and land use
 - Fiscal issues and revenue streams
 - Planning in general: too reactive rather than proactive
 - Confusion over the state's priorities and goals, the role of the State
 - Civic engagement
- Today's group exercise will help us explore the relationships between your agency's mission and growth, as well as growth's influences on your ability to carry out that mission and how other agencies affect your ability to fulfill your mission.

Question: Are we only looking at land use, or at the 3 E's as a whole (which are not necessarily limited to growth/land use)? (Note: the 3 E's are environment, economy, and equity)

Response: The EGPR statutes have a definite bent towards physical growth patterns, but the EGPR can and should address a broader range of issues related to growth and sustainable development, including social and economic issues.

Six small discussion groups of 5 to 7 people each were asked to discuss several questions provided in a worksheet. The questions were:

- A. Relationship between your agency's missions and growth:
 - How does growth impact my agency/department's mission?
 - How does my agency/department's mission influence growth patterns in California?
- B. Relationship between agencies' missions, other agencies and growth:
 - How is my agency/department's mission impacted by how other agencies respond to growth in California?
 - How does my agency/department's mission influence how other agencies respond to growth?

Summary of group discussions:

General comments:

- All agencies are affected by growth, in terms of physical infrastructure and beyond, and identifying these will require in-depth one-on-one discussions.
- Smart growth makes sense in order to stretch tax dollars, while dumb growth drains the state's ability to provide services. Yet, current fiscal incentives reinforce dumb growth.
- There are policy tools at the fringes of statute that can be adapted to reinforce the three planning priorities and to help the state escape the reactive mode.
- Current incentives are on a project-by-project basis. The state needs good front-end planning to encourage smarter growth on a broad basis.
- The toolkit the state can use in influencing growth patterns includes:
 - Increasing education on agency functions
 - Encouraging civic engagement in planning
 - Changing societal values
 - Grants and financing
 - Tax provisions through the Williamson Act
 - Offering incentives for planning and conservation that make sense and are not at cross-purposes
 - Incorporating model funding criteria into the EGPR
 - Making strategic acquisitions and easements for conservation
 - Using state facility siting as a tool for economic development
 - Developing better collaboration between agencies
 - Reconciling general plans with growth management goals up front to ease the CEQA process later
 - Comprehensive review of housing elements
 - Translating land use priorities to community goals
 - Use the CEQA review process to generate comments and recommend mitigation
 - Coordinating regulations and approval processes
 - Enhancing collaboration with locals in the general plan process
 - Explore having state agencies operate under uniform regional geographic boundaries (e.g., same regions for Regional Water Quality Control Boards as for Caltrans Districts)
 - Development tools (such as models and best practices)
 - Fighting NIMBYism

- Expand analytical capabilities of government
- Data-sharing and enhancing Internet and GIS use
- Forums and mechanisms to share information
- Minimize redundancies and waste
- Develop sustainable practices within agencies themselves

Specific agency examples:

- The California Environmental Protection Agency in some ways facilitates growth by finding technological solutions to growth's impacts, but it also sets thresholds on air and water quality that could be used to limit growth. For example, ARB sets acceptable levels of pollution and technology follows to allow more growth without exceeding those limits. Making environmental data more accessible will assist locals to make better decisions. For example, offering online tools such as models for assessing long-range impacts of planning decisions could encourage more civic participation and help decision making. We can also create funding fairs and partnerships such as the Tri-Agency Partnership to build consensus and describe good vs. bad development.
- The California Department of Transportation only has direct control over 25% of transportation funds. However, through working with the California Transportation, it can have a more direct impact on local decision-making for the other 75%. Even the 25% it does have control over can be used strategically to effect change. Caltrans is observing more service gaps and decreased feasibility of new construction and want to expand alternatives to single occupancy vehicles, but they are heavily constrained by local and regional decision-making and their lack of discretion over federal pass-through funds.
- The Department of General Services decisions on location of state office buildings do influence growth patterns. The Department is adopting sustainable building design guidelines. They are working with the Collaborative for High Performing Schools, the Office of Public School Construction, and the Energy Commission on promoting sustainable school building design. They are also working on environmental justice issues. Many of these activities are discretionary.
- The Department of Water Resources plans for water needs and is heavily influenced by growth and environmental impacts. The siting of the State Water Project had a big influence on growth patterns. DWR administers loans and grants for expanding local water capacity.
- The Health and Human Services Agency is affected by growth patterns because of increased caseloads, but also because of behavioral and physical health issues and the difficulty in addressing needs in rural area, isolated urban areas, and certain socioeconomic pockets. Most of its funding is from the federal government and is passed through to counties. HHSA defines success when people move into the socioeconomic mainstream, which is in line with the three planning priorities.
- The Employment Development Department is affected by jobs-housing imbalances in its ability to provide services and adapt to changing labor markets and skill needs. On the flip side, EDD labor market information impacts where businesses locate.
- The Water Resources Control Board performs water source cleanups, which makes them reactive to growth, but they also lead the way in incorporating new science. They influence growth through permitting for septic and sewer systems.
- The Department of Mental Health's construction of new facilities is a means of providing economic development opportunities.

- The Office of Emergency Services works on hazard mitigation and disaster preparedness. It is heavily influenced by inefficient growth patterns in its ability to respond effectively. It has also developed a collaboration with DWR and the Federal Emergency Management Agency (FEMA) to discourage reconstruction in flood-prone areas.
- The California Infrastructure and Economic Development Bank offers financing for many categories of public projects and evaluates applications based on criteria that are consistent with the last EGPR to be completed, Governor Jerry Brown's 1978 *Urban Strategy*. These criteria could be changed to be consistent with the new EGPR.

Concluding Remarks

- Anya reviewed a handout that maps the relationship between the EGPR, the three planning priorities, and the responsibilities of state agencies related to both.
- Terry reviewed a handout describing OPR's interpretations of the three planning priorities and discussed the importance of defining key terms with care to avoid unintended consequences.
- Advisory Group members were asked to read through the "Defining Terms" handout, share it with appropriate colleagues, and forward any comments to OPR within the next couple of weeks.
- State agencies will have to implement the goals and policies that will be laid out in the EGPR and thus will have a key role in helping to design the goals and policies.
- Next steps:
 - Advisory Group members will:
 - Give OPR feedback on the "Defining Terms" handout
 - Expect requests from OPR for individual discussions/meetings on the EGPR
 - Discuss the EGPR project with appropriate staff within your agencies
 - OPR will:
 - Distribute meeting notes and reminders in the next week
 - Distribute initial EGPR chapters for review by the end of June
 - Hold the next advisory group meetings on August 14 and October 22

ATTENDANCE LIST:

FIRST	LAST	AGENCY/DEPARTMENT
Mitch	Baker	Caltrans
Jim	Bennet	State Water Resources Control Board
Katie	Benouar	CalTrans
B.B.	Blevins	Cal/EPA
Dennis	Castrillo	Office of Emergency Services
Bonnie	Chiu	Office of Planning and Research
Cathy	Creswell	Department of Housing and Community Development
Philip	Crimmins	Office of Planning and Research
Sean	Dockery	Department of General Services
John	Ferrera	Business, Transportation and Housing Agency
Scott	Frizzie	Office of Criminal Justice Planning

Carol	Gaubatz	Office of Planning and Research
Neil	Gould	Department of Water Resources
Doug	Grandy	Department of General Services
Brian	Grattidge	Office of Planning and Research
Kamyar	Guivetchi	Department of Water Resources
Nancy	Hanson	Energy Commission
Angelica	Hernandez	Technology, Trade and Commerce Agency
Rainer	Hoenicke	Resources Agency
Sharon	Huntsman	Center for Collaborative Policy
David	Illig	Health and Human Services Agency
Brad	Kane	Business, Transportation and Housing Agency
Ed	Kawahara	Technology, Trade and Commerce Agency
Julia	Lave Johnston	California Research Bureau
Anya	Lawler	Office of Planning and Research
Bob	Marr	Employment Development Department
Jonas	Minton	Department of Water Resources
Scott	Morgan	Office of Planning and Research
Dennis	O'Bryant	Department of Conservation
Jamie	Olivarez	Office of Planning and Research
Nicole	Rabaud	Office of Planning and Research
Frank	Ramirez	Office of Planning and Research
Terry	Roberts	Office of Planning and Research
Sandra	Salazar-	Office of Planning and Research
Nathan	Smith	CalTrans
Charlotte	Strem	University of California Office of the President
Jack	Striegel	Department of Mental Health
Toni	Symonds	Office of Planning and Research
Ken	Trott	Department of Food & Agriculture
Giselle	Vigneron	State & Consumer Services Agency